

TO : TRUST EXECUTIVE

FROM : IAN BAXTER
ACUTE UNIT DIRECTOR OF FINANCE

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RE CONTRACT FOR BLOOD PRODUCTS 1991/92

1) Introduction

The blood products to be contracted for are (concentrates, particularly the higher purity ones) factors VIII and IX. The contract will also include provision of Albumin solutions. These products have been formerly obtained from the Blood Products Laboratory at Elstree which serves the N.H.S. In 1990/91 the Acute Unit was allocated a proportion of Regions budget for blood products to buy the service from BPL. This amount however was insufficient to meet the current demand and local resources of £180,000 were allocated in addition to those recurrently available. The budget for blood products is still however expected to overspend by £50,000 at the end of 1990/91.

2) Blood Products 1991/92

The Royal London Trust can contract with its desired supplier of blood products in 1991/92. To these ends BPL, Alpha Therapeutic and Armour Pharmaceutical were contacted and asked to submit quotations for the supply of blood products in 1991/92. Only BPL and Alpha Therapeutic responded in full and a summary of their comparative costs is appended at A.

3) Evaluation of Costs

Appendix A shows that of the two organisations Alpha Therapeutic is the cheaper of the two, chiefly through being 1p/individual unit cheaper on the most extensively used product, factor VIII. Alpha are also unable to supply the whole product range with those items being purchased from BPL. These items would be purchased at the higher list price.

Both contracts offer savings on current expenditure of approximately £140,000.

4) Recommendation

Although Alpha Therapeutic offer a slightly cheaper price range I recommend that the contract for blood products be given to BPL for the following reasons :

- i) All blood products required can be acquired from BPL.
- ii) Alpha are attempting to break into the market and are

offering factor VIII at a price which is a loss leader. As such they do not offer long term stability in terms of price.

iii) BPL has a long-standing and satisfactory relationship with us.

iv) The Director of the Haemophilia Centre has confidence in the safety of concentrates supplied by the commercial manufacturers but believes that there are sound reasons for using a voluntary (rather than paid) plasma source where possible.